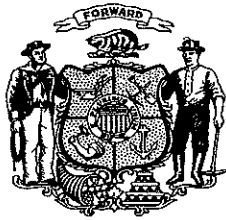


STATE OF WISCONSIN

SENATE CHAIR
Howard Marklein

316 East, State Capitol
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Madison, WI 53707-7882
Phone: (608) 266-0703



ASSEMBLY CHAIR
Mark Born

308 East, State Capitol
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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: October 1, 2021

Re: DHS Report to JFC

Attached is a report on the overall condition of the Medicaid benefits budget and any changes to the program in the past quarter from the Department of Health Services, pursuant to s. 49.45(2n) , Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

HM:MB:jm



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Karen E. Timberlake, Secretary

OCT 01 2021

St. Finance

September 30, 2021

The Honorable Howard L. Marklein, Senate Co-Chair
Joint Committee on Finance
Room 316 East
State Capitol
P.O. Box 7882
Madison, WI 53707

The Honorable Mark Born, Assembly Co-Chair
Joint Committee on Finance
Room 308 East
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Senator Marklein and Representative Born:

As required under s. 49.45(2n), I am writing to provide an update for the first quarter of FY 22 on the overall condition of the Medicaid benefits budget and any changes to the program in the past quarter.

The Department projects a surplus in the Medicaid program of \$39.4 million GPR for the 2021-23 biennium. The table below reflects current estimates for Medicaid expenditures through FY 23, based on trends in enrollment, costs per enrollee, federal Medicaid financial participation, and third party revenues.

| Projected Medicaid Expenditures for the 2021-23 Biennium (in millions) | | |
|--|---------------------------|------------|
| | September 2021 Projection | |
| | GPR | All Funds |
| Act 58 Budgeted Level | \$6,918.3 | \$25,584.6 |
| Projected Expenditures | \$6,878.9 | \$25,477.4 |
| <i>Difference</i> | <i>\$39.4</i> | |

This projection factors in two months of actual data in the current fiscal year but largely reflects expenditure and enrollment assumptions for the Medicaid budget in Act 58, the 2021-23 biennial budget. The projected surplus results primarily from updated assumptions showing lower than budgeted expenditures for managed long-term care and the IRIS program and for

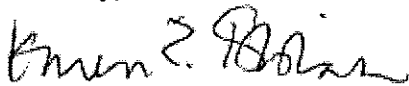
Medicare Part D clawback payments, offset by higher projected expenditures for managed acute care and prescription drugs. This projection maintains the Act 58 assumption that the enhanced federal matching rate and continuous coverage requirements under the federal Families First Coronavirus Response Act (FFCRA) will be in place through December 2021 as the current federal COVID-19 public health emergency, due to expire in October, has not yet been extended.

State Plan and Waiver Amendments

The appendix lists Medicaid state plan amendments and waiver amendments submitted to the federal government in the past quarter.

Please contact me if you have any questions about this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen E. Timberlake", written in a cursive style.

Karen E. Timberlake
Secretary-designee

Appendix

Proposed Medicaid State Plan Amendments and Waivers Submitted to the Federal Government for Approval

State Plan Amendments

Amendment 21-0016 – Nursing Home Rates. This amendment implements FY 22 rate increases for nursing homes as directed by 2021 Act 58. *Annual fiscal effect: \$91.7 million All Funds.*

Waiver Amendments

Children's Long Term Supports Waiver Renewal. Submitted July 12, 2021.